

This letter responds to an annual survey regarding coal mining equipment. See 86 Ill. Adm. Code 130.350. (This is a GIL.)

April 14, 2006

Dear Xxxxx:

This letter is in response to your letter dated October 27, 2005, in which you request information. We apologize for taking so long to respond. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Last year you reviewed information concerning the Retailers' Occupation Tax and Use Tax in Illinois as applied to JOB. Thank you for responding to our inquiry.

We are now working on updating this information for the 2005 edition of *PUBLICATION*, our publication designed to aid in estimating costs for proposed projects. Please review the enclosed paragraphs and make any necessary corrections or comments.

Thank you again for your assistance. It is greatly appreciated. If you would like a copy of our tax section covering Western states, and selected Midwestern and Eastern states, please let me know. I will be happy to send you a copy when the 2005 version is printed.

DEPARTMENT'S RESPONSE

The Retailers' Occupation Tax Act imposes a tax upon persons engaged in the business of selling tangible personal property at retail. 35 ILCS 120/2. The Use Tax Act imposes a tax upon the privilege of using in this State tangible personal property purchased at retail. 35 ILCS 105/3. The information contained in your publication regarding sales and use tax exemptions is correct. We also refer you to the following regulations:

86 Ill. Adm. Code 130.330 Manufacturing Machinery and Equipment,

86 Ill. Adm. Code 130.350 Coal Exploration, Mining, Off Highway Hauling, Processing, Maintenance and Reclamation Equipment,

86 Ill. Adm. Code 130.1951 Enterprise Zones, and

86 Ill. Adm. Code 130.1952 Sales of Building Materials to a High Impact Business.

If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Martha P. Mote
Associate Counsel

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